

Global Clearing

G. H. Financials Quarterly Newsletter

Issue: #3 | January 2015

The global exchange-traded derivatives market place is one of the most dynamic markets in the world. G. H. Financials quarterly Newsletter – “Global Clearing” – aims to give our clients an overview and insight into how G. H. Financials is leading from the front in adapting to an ever-changing market landscape in order to give our clients market-leading service and support in their trading activities.

HAPPY NEW YEAR FROM CHICAGO



Russell Levens - CEO G. H. Financials, LLC

G. H. Financials, LLC opened in 2011 and this is my 4th year operating the business here in Chicago. As in recent years, 2014 was a challenging time for the industry; however, I'm pleased to tell you that we had a record year clearing US products.

This was largely a result of our existing clients focusing more on the US markets and new clients wanting access to the US. With an improving US economy, increasing talk that the Federal Reserve will raise US interest rates in 2015, the future is bright and we are quietly optimistic that 2015 will be even better than 2014. I should mention that I'm not alone in thinking 2015 will be an eventful year. As G. H. Financials has a truly global client base, with clients situated across the US, Europe and increasingly in Asia, I am fortunate to get a global picture when interacting with our clients and prospects. It's clear from my discussions, that regardless of location, firms estimate they will do more business on the US markets and accordingly expectations for 2015 are high.

In addition to US growth, 2014 was a year of development and expansion for the wider company. G. H. Financials Group became clearing members on CME Europe, DME and Eurex and non-clearing members of CFE. It's always a challenge offering new markets, but I'm sure that this effort contributed towards G. H. Financials being announced FOW's Non-Bank FCM of the Year (More on that below). 2014 saw us broaden our reach in Asia and grow our clearing volumes on ASX, CME Group, Euronext Paris, the London Metal Exchange, TSE/JPX and other markets. All in all it was a busy year globally for G. H. Financials!

Our strategy is to continue to grow and improve our clearing and market access offering this year and in future years. Thank you for your interest in G. H. Financials. I wish you a successful and exciting 2015.

Russell Levens: russell.levens@ghfinancials.com

NEWS

FOW Awards: Non-Bank Futures Commission Merchant of the Year

In recognition of our continued growth, achievements and focus on customer service during 2014, FOW has named G. H. Financials the **2014 Non-Bank Futures Commission Merchant of the Year**.

Mark Ibbotson, CEO of G. H. Financials, said: *"It is our honour to be presented with this prestigious award by FOW."*

G. H. Financials is committed to deliver new markets and opportunities to our clients around the world and this tribute recognises our leadership and commitment to the global derivatives industry."

Read more at: www.ghfinancials.com/news/fow



FOW
INTERNATIONAL
AWARDS
2014

EXCHANGE FOCUS

Volatility is Back in Energy Markets and the Liquidity You Need Is on NYMEX

Energy markets experienced spectacular volatility in Q4 2014, continuing into 2015: Crude at-the-money implied volatility spiked from 20% on October 1 to 55% the first week in January as crude futures sold off from \$90 to below \$48/barrel. In volatile times, traders require deep liquidity, easily accessible markets, and seamless execution. The surge in daily volume in Q4 oil contracts proves that when volatility strikes the energy market, the market chooses NYMEX.

CME Group's Chief Economist, Blu Putnam, believes that the current downward momentum in crude oil prices was caused by a confluence of long-term factors ignited by some short-term considerations. In his most recent report, **Visualizing Energy Market Dynamics** (<http://goo.gl/bxy4as>), Blu discusses the powerful dynamics impacting the oil and natural gas markets on a global scale, especially in regards to the potential to alter relative prices.

Here's a look at some recent trends in NYMEX oil Futures and Options:

FUTURES:

- CL (<http://goo.gl/DhYKUI>) average daily volume is at the highest level since February 2012
- BZ (<http://goo.gl/Rg7THD>) Open Interest record of 162,659 on November 13, 2014
- BZ (<http://goo.gl/3FMkM3>) set a single day volume record of 172,365 on January 6, 2015
- HO (<http://goo.gl/txU6Rw>) Open Interest record of 410,774 on November 7, 2014

OPTIONS:

- Record CME Globex LO (<http://goo.gl/1j26Kb>) average daily volume in Q4: 108,724
- 9 of the top 10 all-time CME Globex LO (<http://goo.gl/CLnZQ2>) record volume days were in Q4, including a record 258,348 on October 15



FINANCIALS

GLOBAL CLEARING SOLUTIONS

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CME Group

For more information about NYMEX products, visit
www.cmegroup.com/energy

UPCOMING EVENTS

The Evolution of Proprietary Trading

Crowne Plaza City
London

4 March 2015

This event will examine the shifting landscape for prop traders across Europe.

The inaugural afternoon event will focus on the increased automation of trading strategies and the search for new products in the wake of the low interest rate environment. G. H. Financials will be sponsoring a booth at the event.

Read more at: www.ghfinancials.com/more/events/prop

NETWORKING

If you would like to meet G. H. Financials we will be in the following locations during Q1 2015:

Derivatives World Asia
Hong Kong

25-26 March 2014

Peter Lovell, Sharon Shi Ning and Mark Phelps will be attending FOW's Derivatives World Asia conference at the Renaissance Harbour View Hotel, Hong Kong on 25-26 March 2015.

If you would like to arrange a meeting, please get in touch:

Peter Lovell: peter.lovell@ghfinancials.com
Sharon Shi Ning: shi.ning@ghfinancials.com
Mark Phelps: mark.phelps@ghfinancials.com

FIND OUT MORE

If you want to find out more about any of the items covered in this newsletter, or find out how G. H. Financials could help your business, please get in touch with us:

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